

February 6, 2003

Ms. Marlene H. Dortch
Secretary, Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20554

Re: Miscellaneous Proceedings Concerning Advanced Telecommunications
Capability -- CC Docket Nos. 98-147, 01-338 and 02-33

Ex parte presentation pursuant to C.F.R. §1.1206(a)(1)

Dear Ms. Dortch:

Catena Networks, Inc. ("Catena") met yesterday, with Commissioner Martin. Representing Catena were Jim Hjartarson, Gary Bolton, Doug Cooper and myself. During the meeting, Catena reiterated how important it is for Catena and the other telecommunications manufacturers that the Commission adopts rules in the broadband proceedings that will not create disincentives for the incumbent carriers to deploy new packet-based technologies. Catena indicated that it and its competitors are all urging the Commission to adopt national broadband rules that avoid the imposition of unbundling and TELRIC pricing obligations on the incumbent carriers for any newly-deployed packet-based technologies.

Catena expressed its concern that requiring the incumbent carriers to unbundle broadband packet-based services would have the effect of halting most DSL deployment, thereby significantly harming the telecommunications manufacturing sector, which is already reeling from the meltdown in the telecommunications sector. Without an incentive to continue the deployment of current high speed services, there would be no manufacturing base to produce the next generation of high speed services down the road. Indeed, Chinese companies are poised to acquire at "distress prices" American technology companies that are likely to shut down operations if a Commission decision on the 13th creates disincentives for deployment of new broadband technology.

Moreover, for many rural and suburban residential and small business customers served by remote terminals, such as the 20 million subscribers served by the legacy SLC-

5 remote terminals, the inability of incumbent carriers to upgrade those facilities using integrated line cards developed by Catena (because of the unbundling disincentives) would result in, at best, significant delays in their obtaining broadband access, if such access arrives at all. Finally, Catena observed that there will be no “intramodal” competition if the incumbent carriers are disincented to deploy packet-based technologies, so that there would be no countervailing public interest benefits from the contemplated unbundling of packet-based broadband services.

Catena thus renewed its call for the FCC to act promptly and to adopt national policies that will eliminate the current disincentives to investment by the facilities based providers in broadband technologies, and certainly not create any new disincentives. Please contact the undersigned if you have any questions with regard to this submission.

Respectfully submitted,

/s/
Stephen L. Goodman
Counsel for Catena

cc: Commissioner Martin